

D.P.U. 94-10D

Application of Massachusetts Electric Company:

- (1) under the provisions of G.L. c. 164, § 94G 1/2 and the Company's tariff, M.D.P.U. No. 528, for approval by the Department of Public Utilities of a change in the quarterly oil conservation adjustment charge to be billed to the Company's customers pursuant to meter readings in the billing months of January, February, and March 1995.
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APPEARANCES: Thomas G. Robinson, Jr., Esq.
New England Power Service Company
25 Research Drive
Westborough, Massachusetts 01582-0005
FOR: MASSACHUSETTS ELECTRIC

COMPANY

Applicant

I. INTRODUCTION

On December 1, 1994, pursuant to G.L. c. 164, § 94G 1/2, Massachusetts Electric Company ("MECo" or "Company") notified the Department of Public Utilities ("Department") of the Company's intent to file a quarterly change to its oil conservation adjustment charge in conformance with its tariff, M.D.P.U. No. 528. The Company requested that this change be effective for bills issued pursuant to meter readings for the billing months of January, February, and March 1995. The matter was docketed as D.P.U. 94-10D.

Pursuant to notice duly issued, a public hearing on the Company's application was held on December 15, 1994, at the Department's offices in Boston.¹ Notice of the hearing was published in the Boston Herald, Worcester Telegram, Lynn Item, Lawrence Eagle-Tribune, Berkshire Eagle, Springfield Daily News, and the Patriot Ledger. The Company also complied with the requirement to mail a copy of the notice of the hearing to all persons with whom the Company has special retail contracts that do not incorporate a filed rate, and to all intervenors and their respective counsel from the Company's prior two fuel charge

¹ For purposes of the hearing only, this matter was consolidated with the Company's fuel charge proceeding, D.P.U. 94-6D.

proceedings. No petitions for leave to intervene were filed.

At the hearing, the Company sponsored one witness: Pamela A. Viapiano, rate analyst, New England Power Service Company ("NEPSCo"). The evidentiary record consists of one exhibit submitted by the Company.

MECo, a wholly owned subsidiary of New England Electric System ("NEES"), serves on average 906,036 customers in its service territory, which includes over 146 cities and towns located predominately in northeast and central Massachusetts. NEES's other subsidiaries, affiliates of MECo, include New England Power Company ("NEP"); Granite State Electric Company in New Hampshire; Narragansett Electric Company in Rhode Island; NEPSCo, which provides engineering, technical, and other services for NEES companies; and New England Energy, Inc. MECo purchases all of its power requirements at wholesale from NEP pursuant to rates regulated by the Federal Energy Regulatory Commission ("FERC"). MECo does not own or operate any generating units.

II. OIL CONSERVATION ADJUSTMENT CHARGE

On December 9, 1994, the Company filed with the Department its proposed changes to its oil conservation adjustment charge for January,

February, and March 1995.² For these billing months, the Company proposes an oil conservation adjustment charge of \$0.00111 per kilowatthour ("KWH"). The proposed oil conservation adjustment charge is \$0.00006 per KWH less than the oil conservation adjustment charge of \$0.00117 per KWH approved by the Department in Massachusetts Electric Company, D.P.U. 94-10C (1994) for

meter readings for the billing months of October, November, and December 1994
(Exh. M-2, at 4).

Ms. Viapiano stated that the source of the decrease can be attributed to the existence of an over-recovery of \$58,811 through December 1994 as a result of an actual higher ratio of KWH sales to KWH purchases than was estimated for the fourth quarter 1994

² NEP has filed a rate settlement with FERC to roll the oil conservation adjustment charge into NEP's wholesale base rates. According to the Company, approval by the FERC would lead to the termination of the OCA charge and to the implementation of an equivalent purchased power cost adjustment (Tr. at 24-29). The Department has initiated an investigation as to the propriety of the proposed rates and charges of MECo's aforementioned purchased power cost adjustment No. W-95(S). See D.P.U. 94-178.

(id. at 4-5). In addition, Ms. Viapiano stated that the Company anticipates a higher ratio of KWH sales to purchases in the first quarter 1995 (id.).

III. FINDINGS

Based on the foregoing, the Department finds:

1. that the oil conservation adjustment charge to be applied to Company bills issued pursuant to meter readings for the billing months of January, February, and March 1995, shall be \$0.00111 per KWH. The calculation of the oil conservation adjustment charge is shown in Table 1 attached to this Order.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is ORDERED: That Massachusetts Electric Company is authorized to put into effect a quarterly oil conservation adjustment charge of \$0.00111 per KWH as set forth in Section III, Finding 1 of this Order for bills issued pursuant to meter readings for the billing months of January, February, and March 1995, subject to refund; and it is

FURTHER ORDERED: That the oil conservation adjustment charge approved herein shall apply to all kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it

is

FURTHER ORDERED: That the Company shall maintain all oil conservation adjustment records for the Department's inspection as ordered in D.P.U. 865 (1982) and D.P.U. 866-A (1981).

By Order of the Department,

Kenneth Gordon
Chairman

Mary Clark Webster
Commissioner